

APPENDIX H

STATEMENT OF ACCOUNTING ENTRIES

CONFIDENTIAL / REDACTED

Genco Transfer Journal Entries

As ComEd previously notified the Commission in November 1999 under Section 16-111(g), Unicom has agreed to merge with a new holding company affiliate of PECO to form Exelon, Inc. The merger 16-111(g) notification included proposed journal entries to reflect the effect of the acquisition of ComEd under the purchase method of accounting that requires that assets and liabilities of the acquired company be restated to fair value at the consummation of the merger. The merger proposed journal entries recognized goodwill which reflected the excess of the purchase consideration over the book value of ComEd's assets and liabilities, but did not reflect potential adjustments to the book value of ComEd's assets and liabilities to reflect fair value because a fair value analysis had not been completed at the time of that filing.

Upon or shortly after the merger, ComEd will transfer the assets and liabilities related to its generation resources and wholesale marketing operations to Exelon, through a ComEd subsidiary. The transfer of the assets and liabilities will be based on the book value of the assets, which, after the purchase accounting adjustments, will be equivalent to fair value.

Significant Journal Entry Assumptions:

1. Unless otherwise indicated, balances presented herein reflect December 31, 1999 historical balances. As explained above, actual journal entries at the time of consummation of the merger will reflect the value at that future date upon the application of purchase accounting in connection with the merger.

2. Utility plant associated with nuclear stations reflects preliminary fair value analyses of ComEd's nuclear stations based on discounted cash flows that indicate fair value estimates ranging from [REDACTED] to [REDACTED]. The proposed journal entries reflect an estimated fair value of [REDACTED] for nuclear plant recorded in Accounts 101, 106 and 107 based on the midpoint of the range of preliminary estimates. The analyses are significantly affected by assumptions made regarding nuclear plant capacity factors, operating costs and the expected market price for electricity. The final fair value determination at the date of consummation will consider assumptions appropriate at that future date and may differ from the amounts reflected herein. ComEd will also transfer \$105 million of general plant associated with the nuclear stations and the Wholesale Marketing Group, which includes office furniture and equipment, transportation equipment and communications equipment. Additionally, \$37 million of transmission will be transferred to Genco representing ComEd's investment in the synchronous condensers and the main power transformers located at Zion Station.
3. The fossil fuel amount reflects a) diesel fuel inventory at the nuclear stations and b) coal purchased by ComEd under supply agreements related to Kincaid and State Line generating stations, previously sold to Kincaid Generation, LLC and State Line Energy, LLC, respectively. Such agreements will be assigned to Genco.
4. The prepayment amount reflects payments for nuclear license fees a (radwaste).

5. The nuclear decommissioning payable to Genco represents the amount of pre-1989 cost-of-service not contributed to the decommissioning trust funds at the end of 1999 plus the amount of the nuclear decommissioning liability for the retired nuclear units not yet collected from ComEd customers. Based on the assumptions at the end of 1999.
6. The emission allowance inventory represents the fair value at December 1999 of the allowances transferred to Genco. These allowances are reflected on the balance sheet at their cost basis (zero). However, they will be recorded at fair value upon the application of purchase accounting in connection with the merger.
7. ComEd has not determined the ultimate disposition of capital leases related to nuclear fuel. For purposes of this filing, nuclear fuel under capital leases and the related obligation will be transferred to Genco.
8. ComEd's investment in Concomber Ltd. will be transferred to Genco.
9. ComEd's investment in its subsidiary will be exchanged with Exelon for shares of ComEd common stock which shall be recorded by ComEd as Treasury Stock. After the completion of all merger related transactions ComEd will make a determination of the amount of treasury stock which will be retired.

10. The amount presented for goodwill represents a preliminary determination of the portion of goodwill recorded in connection with the merger associated with generation operations being transferred to Genco. The final amount of goodwill transferred may ultimately differ significantly from this initial estimate.

11. The entries are limited to the entries at the date of transfer that directly result from the Genco Contribution Agreement and should not be interpreted to represent an all inclusive listing of the continuing impacts on ComEd's financial statements.

Schedule of Accounting Entries

In Millions

(1) To record transfer of property.

232	A/P DOE SNFD Fee	\$	12
228	DOE SNFD Fee Principal and Accrued Interest		763
108	Accumulated Provision for Decommissioning		2,100
228	Nuclear Decommissioning Cost (liability) - Retired Units		1,260
228	Other Noncurrent Liabilities - Concomber		3
282,190,283	Accumulated Deferred Income Taxes		199
227	Obligation under Capital Lease - Noncurrent		162
242	Accrued Vacation Pay / Paid Time Off		34
243	Obligation under Capital Lease - Current		125
102	Electric Plant Purchased or Sold		
101	Utility Plant in Service - Nuclear Stations	\$	
101	Utility Plant in Service - Transmission		37
101	Utility Plant in Service - General Plant		105
106	Completed Construction Not Classified - Electric - Nuc		
123	Investment in Associated Companies - Concomber		1
107	Construction Work in Progress - Nuclear Stations		
158	Emission Allowance Inventory		
114	Goodwill		500
120	Nuclear Fuel - Owned		427
120	Nuclear Fuel - Leased		286
151	Fossil Fuel Inventory		14
154	Plant Materials and Operating Supplies - Nuclear Units		150
165	Prepayments		1
190	Accumulated Deferred Income Taxes		125
128	Other Investments - Nuclear Decommissioning Funds		2,547
228	Nuclear Decommissioning Payable to Genco		813

(2) To record investment in ComEd Genco.

123	Investment in Subsidiaries	\$	
102	Electric plant purchased or Sold	\$	

(3) To record exchange of Genco common stock for ComEd common stock from Exelon.

217	Common Stock Reacquired	\$	
123	Investment in Subsidiaries	\$	

The amounts set forth in the above entries reflect the significant journal entries assumptions set forth on. Given these assumptions, management believes the entries are consistent with Generally Accepted Accounting Principles in the United States.